

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6682

BILL NUMBER: HB 1688

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Prescription Drug Program.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Authorizes the office of Medicaid policy and planning (office), in consultation with the drug utilization review board, to develop and implement a preferred drug formulary. Sets out parameters of the preferred drug formulary. Establishes the Rx program to provide discounted prescription drug prices to Indiana residents who are: (1) uninsured; (2) underinsured; (3) Medicare recipients; and (4) covered under insured or self-funded employee welfare benefit plans that provide prescription drug benefits. Allows a drug manufacturer or labeler that sells prescription drugs to voluntarily enter into a rebate agreement with the state department of health that requires rebate payments to be made to the state for the Rx program. Authorizes the state department to negotiate the amount of the rebate and audit a manufacturer or labeler to assure compliance. Requires a retail pharmacy to sell the drugs covered by the Rx program to participants in the Rx program at the discounted price. Establishes: (1) a formula for the state to use in calculating discount prices for drugs covered by the rebate agreement; (2) a procedure for resolving rebate amount discrepancies; and (3) the Rx dedicated fund, consisting of revenue from manufacturers and labelers who pay rebates and appropriations to the fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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